



Robert M. Bryant
President and Chief Executive Officer
National Insurance Crime Bureau

Robert M. Bryant is President and Chief Executive Officer of the National Insurance Crime Bureau (NICB). He was appointed to this position on December 6, 1999. Mr. Bryant works closely with insurance executives and law enforcement officials to detect, prevent, and deter insurance-related crime.

Mr. Bryant has had a long and distinguished law enforcement career culminating with his appointment as Deputy Director of the Federal Bureau of Investigation (FBI). Mr. Bryant served as the FBI's Chief Operating Officer, managing the day-to-day operations of the FBI, and its national counterintelligence, counterterrorism and criminal programs. His responsibilities included policy and all aspects of operations, personnel, budget, technology, and security programs.

Mr. Bryant's notable achievements were the successful investigation and prosecution of the Aldrich Ames spy case, oversight of the Oklahoma City bombing investigation, and the peaceful resolution of the Montana Freeman standoff. He also created the "Safe Streets Program," a partnership with local authorities, which led to over 170 anti-crime task forces throughout the country.

Mr. Bryant has changed the NICB by creating a new leadership structure, which includes ten field offices throughout the United States and the development of the Strategic and Tactical Information Department. During the past six years, NICB has developed many new programs utilizing advanced technology, enhanced training, and the development of new initiatives in legislative affairs. NICB is the premier fraud fighting organization in the world, while enhancing personnel skills, creative partnerships, and developing additional sources of fraud fighting information. The NICB is a source of fraud and theft solutions for the insurance industry.

Mr. Bryant earned his bachelor and law degrees from the University of Arkansas. He is married and has three children.

**HURRICANE KATRINA MAKES IT URGENT
TO SUPPORT THE EFFORTS OF
LAW ENFORCEMENT AND FRAUD INVESTIGATORS**

**THE RECENT STORMS PUT TENS OF THOUSANDS OF SERIOUSLY
DAMAGED VEHICLES INTO THE HANDS OF CRIMINALS.**

VIN plates from damaged vehicles get "switched" and end up on stolen cars. People who buy "clones" lose their entire purchase price when the vehicle is repossessed.

Junk vehicles that have been strung back together with bailing wire ("rebuilt wrecks") can easily have their title documents "washed" by simply re-titling them in another state. Innocent consumers get defrauded and endanger themselves and everyone on the highways.

**NICB TOOK SWIFT ACTION AGAINST THE RISING TIDE OF FLOOD
VEHICLES BY POSTING A REGISTRY OF STORM-DAMAGED VEHICLES.**

NICB's Katrina Registry is the result of extraordinary cooperation among our members, law enforcement and disaster recovery agencies.

The Registry is available free of charge to dealers, law enforcement and the general public, and more than one million people have used it already.

**NICB's KATRINA REGISTRY CANNOT, BY ITSELF, PROTECT THE PUBLIC
FROM VIN-SWITCHING AND TITLE-WASHING.**

Even though a Presidential Task Force on vehicle titling recommended specific reforms more than twelve years ago, many state DMV procedures allow title-washing.

Hurricane Katrina makes the need for these reforms extremely urgent.

**CONGRESS SHOULD TAKE A FRESH LOOK AT FEDERAL STATUTES
GOVERNING ELECTRONIC AVAILABILITY OF TITLE-BRANDING
INFORMATION.**

Congress should identify what specific impediments have prevented the implementation of NMVTIS.

Technology has changed dramatically since Congress voted to create NMVTIS.

STATEMENT OF
ROBERT M. BRYANT
PRESIDENT AND CHIEF EXECUTIVE OFFICER
NATIONAL INSURANCE CRIME BUREAU
BEFORE THE
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON ENERGY AND COMMERCE
SUBCOMMITTEE ON COMMERCE, TRADE AND
CONSUMER PROTECTION

MARCH 1, 2006

Mr. Chairman, Members of the Subcommittee, my name is Bob Bryant. I am proud to head the National Insurance Crime Bureau, the nation's leading not-for-profit organization dedicated exclusively to fighting insurance fraud and vehicle theft – crimes that threaten people's lives, and impose more than thirty billion dollars in annual losses on insurance companies and their policyholders.

NICB has more than three hundred employees on the front lines every day, working to prevent, detect and deter such crimes as vehicle theft and the fraudulent sale of undisclosed wrecks to American consumers. With support from more than one thousand member insurers and self-insured companies, NICB offers the most complete array of expert fraud solutions from any single source anywhere in the world.

Hurricane Katrina and other recent natural disasters confronted us with an unprecedented challenge. NICB and its members promptly responded with an unprecedented solution. Through extraordinary cooperation with our members, law enforcement and disaster recovery agencies, NICB posted on its Web Site a registry containing the Vehicle Identification Numbers (VINs) of tens of thousands of vehicles that are known to be destroyed or damaged in the storms. State motor vehicle authorities, motor vehicle dealers and the general public may consult the list, free of charge, and over one million people have done so already. NICB has other initiatives currently underway to meet the threat posed by the rising tide of "flood" vehicles.

Unfortunately, NICB cannot solve the problem completely by publishing a registry of storm-damaged vehicles. Criminals can still use many of those vehicles and their VINs to victimize America a second time. We remain vulnerable for one simple reason. Some state motor vehicle titling procedures are lax which make it easy to commit vehicle crimes that involve title washing.

Car thieves routinely reveal stolen vehicles as legitimately-owned by simply putting a salvage vehicle's VIN plate inside the windshield and obtaining "clean" paperwork from a state DMV. We call this practice "VIN switching." The newest form of VIN switching is "cloning." To create a clone, a VIN from one vehicle is reproduced and attached to an identical stolen vehicle usually in another state. Innocent purchasers lose millions of dollars on these types of crime every year.

Another scam is even more frightening. Wrecked vehicles that cannot be returned safely to the road get re-built to the point of being drivable, but not enough to be safe. Airbag compartments get stuffed with rags. Frame damage makes it impossible for the vehicle to stop in an emergency. Electronic and safety systems corrode slowly from flood damage. These rebuilt wrecks can kill owners and anyone in their path.

Even without these long-overdue improvements in titling procedures, NICB and other investigators would have a much stronger opportunity to protect the public if all the crucial titling information were available electronically to us, and to every dealer and consumer. Congress mandated a "real-time," nationwide system to provide this and other types of information fourteen years ago when it passed the Anti-Car Theft Act of 1992, but the system still does not exist. Before it can address this problem effectively,

Congress should identify the impediments that have delayed implementation of the National Motor Vehicle Title Information System ("NMVTIS") and consider major technological changes that have occurred over the past decade.

We look forward to working with the Subcommittee in our joint efforts to protect the lives and pocketbooks of American consumers.